

CITY OF CAMBRIDGE

• EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager

Richard C. Rossi, Deputy City Manager

BUDGET MESSAGE

May 24, 2004

To the Honorable, the City Council
and the residents and taxpayers of Cambridge:

I herewith present to you the FY2005 operating and capital budgets for the City of Cambridge approved by the City Council on May 24, 2004 as well as the five year Capital Plan.

The adopted operating budget of \$362 426 150 represents an increase of \$16 454 896 or a 4.8% increase over the FY04 adjusted budget. The budget increase is largely attributable to a 4.3% cost of salary increases for employees (including a 2% salary cost carry-over from FY04), a 12% increase in employee health insurance, a 4.4% increase in employee pension costs, a 3.5% increase in school spending and a debt service increase of 11.4%. In addition, \$1.1 million has been added to the budget to cover the cost of a 53rd pay period in FY05 for employees who are paid on Thursdays.

The adopted budget includes a \$1 000 000 appropriation to the Stabilization Fund to be made in FY05 to supplement the existing balance of \$7.9 million, which will be used to offset future debt service increases. The same amount was appropriated in FY04. A portion of this balance will be used annually beginning in FY06 to help offset debt service payments for major tax supported projects scheduled for the next three to five years.

The FY05 adopted Capital Budget of \$38 934 755 supports a large number projects that include: Porter Square and Harvard Square street/sidewalk enhancements, Russell Field improvements, Gold Star Pool improvements, Area 4 parks construction, technology upgrades, public safety vehicles and equipment, building renovations, streets/sidewalks reconstruction, sewer reconstruction, housing rehab and development programs and school equipment and renovations.

As was the case last year, the preparation of the FY05 spending plan was made difficult by continued uncertainty over the level of State Aid funding to the City. However, it appears that the City's preliminary estimate that it will receive the same amount in FY05 as it did in FY04 (\$31 567 430) from the three major local aid categories will hold true. These categories include Chapter 70 School Aid, Lottery Aid and Additional Assistance. This major revenue source represents 8.7% of the total Operating Budget.

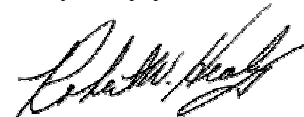
Not yet included in the adopted budget is an estimated \$11 million in funds from the Community Preservation Act (CPA) surcharge. The local portion of CPA funding is raised from a 3% surcharge on property taxes. The CPA funds may only be used for certain affordable housing, open space and historic preservation purposes. The Community Preservation Fund Committee will be making their recommendations on the use of the local funds (\$5 000 000), approximately \$5 000 000 in state matching funds and \$1 000 000 from the CPA fund balance during the upcoming months. The Committee's recommendations will then be forwarded to the City Council for appropriation prior to the setting of the City's property tax rate.

In keeping with the practice of recent years, the proposed FY05 budget closely links the operating and capital expenditure plans with priorities established by the City Council. Department heads have carefully reviewed their budget narratives, accomplishments, goals and performance measures and have made significant modifications to them to demonstrate their department's efforts to address the City Council goals. Also, in an ongoing effort to review budget narratives for larger departments in order to provide better information to the City Council and the public, the Police Department budget narrative, located in Section IV, has been totally revised. The new Police narrative provides more statistical measures with comparisons to other communities both locally and nationally. In addition, modifications have been made to the Summaries section and Financing Plan section in this Budget document to provide more information related to the City's fund structure, basis of accounting, fund balances and major revenue sources. While I encourage readers to review each budget section in detail, the submitted budget message on page I-5 highlights the approved spending plan for implementation of the City Council priorities.

By being cognizant of our financial limitations and working together, I am confident that we can continue to provide the wide array of services that our residents have come to expect.

I would like to thank the citizens of Cambridge, its employees and the distinguished members of the City Council for their dedication and commitment in keeping Cambridge a vibrant and hospitable City for its residents and visitors.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", written in a cursive style.

Robert W. Healy
City Manager

SUMMARY: OPERATING BUDGET (all funds)

FY03 ACTUAL	FY04 PROJECTED	PROGRAM EXPENDITURES	FY05 BUDGET
27 136 680	32 304 425	General Government	37 048 015
73 029 390	74 028 720	Public Safety	77 450 040
63 252 435	66 228 270	Community Maintenance & Development	70 758 990
19 490 915	19 812 315	Human Resource Development	20 868 495
117 137 195	117 872 457	Education	122 053 195
<u>29 698 525</u>	<u>34 026 175</u>	Intergovernmental	<u>34 247 415</u>
329 745 140	344 272 362		362 426 150

FINANCING PLAN	FY05 BUDGET
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Taxes	235 234 640
Licenses & Permits	5 633 880
Fines & Forfeits	7 919 670
Charges for Service	54 826 415
Intergovernmental Revenue	51 570 195
Miscellaneous Revenue	<u>7 241 350</u>
	362 426 150

THIS SPACE RESERVED FOR COUNCILLOR'S NOTES



CITY OF CAMBRIDGE

• EXECUTIVE DEPARTMENT

Robert W. Healy, City Manager

Richard C. Rossi, Deputy City Manager

BUDGET MESSAGE

April 26, 2004

To the Honorable, the City Council
and the residents and taxpayers of Cambridge:

I herewith submit for your consideration the proposed FY05 Operating and Capital Budgets for the City of Cambridge, as well as the proposed FY06 - 09 Capital Plan. The proposed Operating Budget of \$362 426 150 represents an increase of \$16 454 896 or a 4.8% increase over the FY04 adjusted budget. The budget increase is largely attributable to a 4.3% cost of salary increases for employees (includes a 2% salary cost carry-over from FY04), a 12% increase in employee health insurance, a 4.4% increase in employee pension costs, a 3.5% increase in school spending and a debt service increase of 11.4%. In addition, \$1.1 million has been added to the budget to cover the cost of a 53rd pay period in FY05 for employees who are paid on Thursdays.

As was the case last year, the preparation of the FY05 spending plan was made difficult by continued uncertainty over the level of State Aid funding to the City. However, the City estimates it will receive the same amount in FY05 as it did in FY04 (\$31 567 430) from the three major local aid categories, which include Chapter 70 School Aid, Lottery Aid and Additional Assistance. This major revenue source represents 8.7% of the total Operating Budget. This State Aid estimate is based on the Governor's FY05 Budget released in January 2005 and the House Ways and Means budget proposal released in mid April 2004, which calls for no reductions to these three categories.

The spending plan, as submitted, including non-budget items such as overlay reserve and other offsets, calls for a tax levy of \$224 964 722, a \$15 365 326 or 7.3% increase. However, as the City Council is aware, the actual tax levy is determined annually in the fall as part of the tax rate setting process. The actual tax levy amount may differ from above, pending final State Aid allocations to Cambridge that will not be known until the State Budget is approved later in the spring or early summer of this year. It should be noted that the City's excess tax levy capacity is projected to be approximately \$39 million for FY05.

I am also recommending that a \$1 000 000 appropriation to the Stabilization Fund be made in FY05 to supplement the existing balance of \$7.9 million to be used to offset future debt service increases. The same amount was appropriated in FY04. A portion of this balance will be used annually beginning in FY06 to help offset debt service payments for major tax supported projects scheduled for the next three to five years. These potential projects include: Main Library construction, Police Station construction/land acquisition, Harvard Square and Porter Square enhancements, Russell Field and Area 4 Park improvements and the design and renovation of the outdoor Gold Star Mothers Pool. The purpose of using the stabilization fund is to lessen the impact of property tax increases in future years while trying to maintain an aggressive public investment program.

The FY05 proposed Capital Budget totals \$38 934 755, a decrease of \$27 560 355 from the previous year. This significant decrease is largely due to a recommended appropriation of \$33 620 000 in bond proceeds for extensive improvements to the Cambridge Rindge and Latin School (CRLS) in the FY04 Capital Budget. This project is eligible for State School Building Assistance (SBA) reimbursement (69%) since the project application was submitted prior to the end of last fiscal year. The Governor, in his proposed FY05 Budget, calls for the State to issue bonds to fund all of the projects on the SBA waiting list. Under this plan, the State would provide communities with a lump sum payment for its share of project reimbursement as opposed to a reimbursement schedule of 10 to 20 years based on the length of the bonds issued by the community. Under this plan, the CRLS project would be funded in FY09. Therefore, although the bond authorization has been approved as part of the SBA application process, the CRLS project will not begin until the City receives state reimbursement.

The continuation of the School Building Assistance program as presently constituted in future years after all projects on the waiting list are funded, including the reimbursement level to communities, is unclear. The Governor, the House Ways and Means Committee Chair and other elected officials have proposed reforms to this program.

If the CRLS appropriation were not included in the FY04 Capital Budget, the total Capital Budget would have been \$32 875 110. The FY05 Capital Budget of \$38 934 755 would reflect an increase of \$6 059 645, or 18.4%, from the FY04 adjusted budget. However, the portion of the FY04 Capital Budget that is funded through current revenues (a combination of property taxes and free cash) has been reduced from its FY04 level of \$3 725 000 to \$3 010 000, a decrease of \$715 000 or 19%. This planned decrease is due to necessity of allocating more revenues from these sources to the operating budget to offset increases in tax-supported debt service as a result of the large number of tax-supported projects included in the January 2004 bond issue whose initial impact is in FY05. These projects include: Cambridge Street Improvements, Main Library Construction, Russell and Donnelly Field Improvements, Yerxa Road Underpass Construction, Network Infrastructure Project and War Memorial Repairs and Renovations.

Not yet included in the proposed budget are funds from the Community Preservation Act (CPA) surcharge. The Community Preservation Fund Committee will be making their recommendations on the use of the funds, approximately \$5 000 000, during the upcoming months. The CPA funds may only be used for certain affordable housing, open space and historic preservation purposes. In addition to the CPA funds raised locally, the City could receive approximately \$5 000 000 in state matching funds to be made available in October 2004. A recommendation for the appropriation of all CPA funds received will be made by the Community Preservation Fund Committee and forwarded to the City Council for appropriation in the coming months. It should be noted that the City Council has already appropriated/reserved \$24 100 000 from CPA revenues and state matching funds. The City has received \$10 300 000 in state matching funds.

Because the City has been able to build reserve fund balances and increase excess levy capacity in anticipation inevitable of future economic downturns, including significant reductions in State Aid, it has been able to maintain the current level of services in this budget. In no small part, the apparent level funding of the three major State Aid categories in FY05 has made this task much easier.

While the FY05 budget maintains the current level of services with a modest increase in property taxes, we must always be cognizant of the impact of property tax increases on residential and commercial taxpayers. While there is no change in the number of full-time City positions in FY05, it should be noted that the City reduced 18 positions in FY04. For additional information on the other position reductions, please refer to the Position List on page II-42.

In keeping with the practice of recent years, the proposed FY05 budget closely links the operating and capital expenditure plans with priorities established by the City Council. Department heads have carefully reviewed their budget narratives, accomplishments, goals and performance measures and have made significant modifications to them to demonstrate their department's efforts to address the City Council goals. Also, in an ongoing effort to review budget narratives for larger departments in order to provide better information to the City Council and the public, the Police Department budget narrative located in Section IV has been totally revised. The new Police narrative provides more statistical measures with comparisons to other communities both locally and nationally. In addition, modifications have been made to the Summaries section and Financing Plan section in this Budget document to provide more information related to the City's fund structure, basis of accounting, fund balances and major revenue sources. While I encourage readers to review each department's budget in detail, the following section highlights the proposed spending plan to implement City Council priorities.

INTEGRATING CITY COUNCIL PRIORITIES WITH THE PROPOSED BUDGET

- **PROVIDE HIGH QUALITY ONGOING SERVICES TO RESIDENTS, IMPROVE ACCESS TO SERVICES, AND INCREASE OPPORTUNITIES FOR PUBLIC PARTICIPATION IN LOCAL GOVERNMENT**

Despite the recent economic slowdown and reductions in State Aid that has impacted all Massachusetts municipalities, the proposed budget continues the City's long practice of providing high quality service delivery to our citizens. While the proposed spending plan calls for a 7.3% increase in the property tax levy, a portion of this increase will be covered by new construction as in past years. Additionally, the City's excess tax levy capacity, an extremely important indication of the City's financial health, is projected to be approximately \$39 million for FY05, which is similar to last year subject to final levels of State Aid and new construction assessments. Cambridge continues to have the largest excess levy capacity in the Commonwealth. Our continued strong financial position has allowed us to endure State Aid cuts over the past two years, while maintaining our high levels of service delivery. By continuing the fiscal policies adopted by the City Council, which include maintaining the City's positive reserves and free cash balances and conservatively managing expenditure and revenue growth, the City should be able to deal with level funding of State Aid (or possible reductions) and other economic challenges in future years in a responsible fashion, which will result in a limited impact on our service delivery. This includes proceeding with a public investment program that will result in a projected increase in our tax supported bonding cost of \$10 million over the next four years. Cambridge is unique in its ability to maintain services while improving our infrastructure in these challenging economic times.

In addition, the FY05 Budget provides resources in support of this goal:

- Providing citizens information about City government and services is a continued priority and supported in this budget. In FY05, the City will fund two new initiatives. The first is a new e-mail notification service. Through the City's Web site, residents will eventually be able to sign up to receive free e-mail notifications of important City information, including emergency communications, parking bans, school closings and street cleaning schedules to name a few. Notifications and information will automatically be e-mailed to anyone that registers to receive them. A citizen may specify which notifications he/she prefers and then be able to add, change or delete a request at any time.

The second new initiative is the development of a Permit, License, Application and Forms directory on the City's Web site. This single directory will provide easy access for citizens to obtain permit and license information that will be organized in alphabetical order, based on the type of service. Currently, users must navigate to individual departmental Web pages to obtain this information. In addition, forms can be completed online, saved and printed from the user's computer, a process that should improve accuracy and processing time. Some permits, licenses, applications and forms will have the added capability of being submitted and processed online. As a result, in many cases, a trip to City Hall may not be required.

In addition, the budget supports the continued publication and distribution of the City's bi-annual newsletter, *CityView*, to 44 000 Cambridge households. We will also continue producing other publications such as "*Living in Cambridge....A Guide to City Resources and Services*," the City's Annual Report, the Cambridge Calendar of events distributed to residents and visitors by the Tourism Office, the Department of Human Services' Seasonal Resource Guides, Tax Facts and various other publications distributed by departments during the fiscal year.

- Additional funding of \$15 000 has been provided to the Election Commission to distribute polling place notifications to voters for the November election in an effort to increase voter turnout.
- The Capital Budget contains \$150 000 to fund the acquisition of a new software system (Remedy) to replace the current customer resource management system that allows the City to track and initiate work orders.
- Over the next two years, the Traffic, Parking and Transportation Department will embark on an effort to replace the old style snow emergency signs which, in some cases, are thirty years old and have become difficult to read. Funding of \$20 000 has been provided for this effort.
- This Budget includes \$35 000 in additional funds for the Kids' Council to support program initiatives.

- The Public Works Budget includes increases of almost a million dollars to adequately fund their operations in order to maintain the current level of service delivery. Items increased include: snow and regular overtime, street maintenance repairs, solid waste disposal, recycling, building and park maintenance and energy.
- Funds have been included in the FY05 Capital Budget to continue the reconstruction of the City's sewer and surface drainage system in the amount of \$17 770 000. Projects included in this program are funded through a combination of MWRA Grant funds as well as general obligation bonds and current sewer revenues. It is expected that work will continue in the Fresh Pond/Alewife, Agassiz, Cambridgeport, Cherry Street/South Massachusetts Avenue, Bellis Circle and Porter Square and Harvard Square areas. In many cases the work proposed for sewer and stormwater reconstruction is to be coordinated with other phases of major construction projects such as the library construction project and Harvard and Porter Square enhancement projects.

It should also be noted that the City's continued investment in sewer separation, stormwater management and flood protection projects over the last several years are showing tangible results to citizens. During a recent period of significant rainfall, there were minimal reports of flooding within the City. In addition, there has been a reduction in sewer volume processed by the Massachusetts Water Resource Authority.

- **PRESERVE AND EXPAND THE SUPPLY OF PERMANENT AFFORDABLE HOUSING**

With the voter's acceptance of the Community Preservation Act (CPA) surcharge, the City's affordable housing program is now funded by a portion of the proceeds from the 3% property tax surcharge levied under the CPA. CPA funds may only be used for certain affordable housing, open space and historic preservation purposes. In addition, the City receives a matching amount from the state and has received approximately \$10 300 000 from this source since the inception of the program. Since these funds are deposited into trust funds established for the three CPA purposes, there are no direct allocations contained in this budget document.

Since the implementation of the CPA in FY02, \$24 100 000 has been appropriated/reserved for housing (\$19 300 000), open space (\$2 400 000), and historic preservation (\$2 400 000). FY05 revenues from the CPA are expected to be up slightly based on a higher property tax levy, with the state match expected to be higher based on FY04 CPA revenues.

The Community Preservation Fund Committee will be making their recommendations on the use of the FY05 CPA revenues of approximately \$5 000 000 during the upcoming months. Recommendations will be forwarded to the City Council for appropriation prior to the setting of the tax rate. In addition to the CPA funds raised locally, the City projects approximately \$5 000 000 in state matching funds to be made available in October 2004. Appropriation of these funds, as well additional funds received in FY04, will be recommended by the Community Preservation Fund Committee. This recommendation will then be forwarded to the City Council for appropriation in the coming months.

The City, through its prior budget allocations to the Affordable Housing Trust and its current allocations through the CPA, has created or preserved in excess of 2000 units of affordable housing since the end of rent control in 1995.

The FY05 Operating Budget for the Housing Division contained in the Community Development Budget is \$608 765 and supports a multitude of activities in support of this goal. The Housing Division promotes and finances the development of affordable rental and homeownership housing; creates new opportunities for first-time buyers through education and financing; preserves the long-term affordability of existing affordable housing; improves the City's housing stock through low-interest loans to owners; develops and implements initiatives designed to increase access to affordable housing such as the inclusionary zoning and linkage programs; supports nonprofits in the development and management of affordable housing; coordinates with the federal and state governments to leverage additional housing resources; and provides planning assistance and public information related to housing issues.

The FY05 Capital Budget contains continued funding for Housing Rehab and Development Programs in the amount of \$1 682 880. This funding, which is combined with funds from the HOME program, Affordable Housing Trust Fund and other public and private sources, finances renovations to existing housing units and the development of new ones for low and moderate income Cambridge residents.

- **STRENGTHEN AND SUPPORT PUBLIC EDUCATION AND OTHER LEARNING IN CAMBRIDGE FOR THE BENEFIT OF RESIDENTS OF ALL AGES**

The proposed FY05 budget contains a recommended School Budget of \$122 053 195, an increase of \$4 180 738 or 3.5% over the current year. Property tax support of the School Budget has increased by 4% or \$3.6 million in FY05. The School Department Budget was adopted by the School Committee in mid-April 2004, earlier than in recent years.

City and School officials worked closely early in the budget process to arrive at the above budget allocation, which equaled the amount contained in the School Department's financial plan for FY05. This budget guideline required no "present level of service" reductions to the School Budget. However, it did allow the new School Superintendent to recommend to the School Committee \$3.7 million in budget reallocations to fund program improvements and initiatives.

Highlights of these initiatives include:

- A K-12 Science Initiative in partnership with universities and businesses, designed to guarantee a world-class science education for all students in the Cambridge Public School District.
- Several high school programs focused on closing the achievement gap, including: an Alternative High School program for approximately 100 students; an SAT Prep program; AVID Program; technology technical assistants for each small learning community; training for CRLS teachers and administrators for the new high school schedule change for school year 2005-06; and minor renovations/facilities improvements for the CRLS consolidation and Alternative High School.

- Elementary and middle school program improvements including: a pilot middle school College Board program - “Springboard”; an additional school improvement plan allocation for the Ola’ program at King Open School; an in-service training for teachers for multi-graded classrooms; a Know Your Bodies health education program; elementary school support assistants for schools with enrollment over 400; elementary school climate surveys; summer school program and furniture and equipment.
- Operating funds for summer maintenance work for school facilities, and capital funds (\$500 000) for major school projects (along with \$400 000 from City Capital Budget).

In addition to the recommended funds for the School Department, the City’s Operating Budget continues to fund (through the Department of Human Services (DHSP)) the Community Learning Center with a budget of \$667 865, plus grant funding. The Community Learning Center (CLC), located at 19 Brookline Street, provides adult basic education classes to more than 1 000 adults each year. The core program includes seven levels of English for Speakers of other Languages (ESOL) classes and six levels of basic reading, writing and math classes. GED and pre-GED classes prepare students to pass the five high school equivalency examinations. The Adult Diploma Program awards a Cambridge Rindge and Latin School Diploma to adults based on a combination of demonstrated competency in reading, writing, mathematics and US history and credit for previous coursework, employment, home management, languages, and other life experience areas. The Pre-College Bridge Program prepares students for the transition to post-secondary education. All CLC students receive educational counseling; individual tutoring with trained volunteers is available as needed. Students can also learn basic computer operations, and practice their reading, writing and math skills on a computer. CLC provides basic career training in computers for 15-18 students and community members who work with classroom teachers as aides in the computer lab. In addition, CLC provides ESOL citizenship preparation and family literacy classes, and will provide literacy leadership training to 12 students in FY05.

Of the more than 1 000 adults served each year at the CLC, approximately 150 are from the United States and the remainder come from 70-80 different countries, with over 40 different native languages represented.

The DHSP Budget also supports the Community Schools, Recreation, Youth, and Childcare Programs, all of which provide additional educational benefits to the children of Cambridge.

- **FOSTER COMMUNITY. SUPPORT OPPORTUNITIES FOR CITIZENS TO KNOW EACH OTHER WITHIN THEIR NEIGHBORHOODS AND ACROSS THE CITY & SUPPORT NEIGHBORHOOD PRESERVATION AND ENHANCEMENT. VALUE AND SUPPORT RACIAL, SOCIOECONOMIC DIVERSITY AND CULTURAL DIVERSITY OF OUR CITY**

The proposed FY05 Operating Budget continues to support and maintain the venues in which citizens have the opportunity to know each other within neighborhoods and across the City which also promotes the racial, cultural and socioeconomic diversity of Cambridge. This includes support for two senior centers, youth programs, five youth centers, youth leagues, arts gatherings, public celebrations and events, library programs and branches, community policing and outreach programs and the scores of parks and play areas located throughout the City. The support for these activities and facilities also contributes to the preservation and enhancement of neighborhoods at the same time. In addition, a network of neighborhood health centers, community schools and neighborhood fire stations is supported in this budget and contributes to this goal. As you will note below, the City continues to commit significant resources to a variety of major open space projects.

Other initiatives include the following:

- The City Council recently approved an additional bond authorization of \$31.5 million for the new Main Library. This \$63 million project is scheduled to begin construction in the Fall 2004. As mentioned earlier, the City will see an increase in tax-supported debt in the next few years as the principal and interest costs for large capital projects such as the Library are completely bonded. The FY05 budget for the six Branch Libraries totals \$1.6 million and provides neighborhood-based services, especially to children and their families.
- Continued funding for the Tree Pruning Program (\$100 000) the objective of which is to establish a four to five-year cycle of pruning the nearly 3 000 trees in City-managed open spaces, exclusive of the Fresh Pond Reservation. FY05 funds will focus on work in the Harvard Square area as well as continued efforts at the Cambridge Cemetery.
- Allocation of an additional \$3 430 500 to the \$7.85 million in bond proceeds already approved to finance the construction of the Russell Field renovation plan, which is scheduled to begin in May 2004. With this additional appropriation, the total cost for this project is \$11.3 million. In addition, \$3 000 000 is included in the Capital Budget for Area 4 Parks. These funds will be used for the construction of a new neighborhood park at 238 Broadway, including the demolition of the old buildings located at the site, as well as the construction of the Squirrel Brand Park which is scheduled for completion in the fall of 2005. Additionally, \$1 100 000 has been recommended in the Capital Budget for the complete design and renovation of the outdoor Gold Star Mothers Pool which was constructed in 1947. This includes replacement of the pool systems, as well as comprehensive exterior and interior renovations to improve participant circulation and meet the requirements of the Americans with Disabilities Act.

- The Arts Council's Public Art Conservation and Maintenance Program continues to be level funded at \$35 000, and capital projects have been budgeted to include the 1% for Arts allocation. In addition, \$40 000 has been budgeted to fund the first phase of a multi-year community outreach project in North Cambridge and residential areas around Danehy Park. This four-phase project is intended to enhance the resident and neighborhood use of Danehy Park.
- The Operating Budget continues to fund the Public Celebrations Budget (\$671 505), which includes funding for the Cambridge Arts Council, Holiday Celebrations, Multicultural Arts Center and activities of the Employees' Committee on Diversity. Included in this budget is funding for Danehy Park Family Day which is held each September and provides residents an opportunity to enjoy free rides and food, experience the arts, learn about public safety, and enjoy the outdoors on our award winning open space facility. Also, the Public Celebrations Budget includes an additional \$5 000 that has been added to the Arts Council Budget to support the operations of the art new gallery which is located in the renovated City Hall Annex.
- **PROVIDE HIGH QUALITY PUBLIC SAFETY SERVICES AND MAINTAIN HIGH LEVEL OF PUBLIC CONFIDENCE IN THESE SERVICES**

The total Public Safety Budget for FY05 is \$77 450 040, or 21.4% of the Operating Budget and includes the following departments; Animal Commission, Fire, Police, Traffic, Parking and Transportation, Police Review and Advisory Board, Inspectional Services, License, Weights and Measures, Electrical, Emergency Communications and Emergency Management. Full funding has been provided for all Public Safety positions in FY05.

As mentioned earlier, the Police Department narrative has been significantly changed to provide more statistical and comparative data (see page IV-101). It should be noted that Cambridge is below the nationwide average (4 306 vs. 4 704) for total crimes per 100 000 residents in cities of 94 000 -106 000 people as published by the U.S. Department of Justice for 2002 (see page IV-104). In addition, \$30 000 has been included in the Capital Budget to fund the acquisition of replacement computers to maintain the daily operations of the Department. One of the major future projects in the City's Five-Year Capital Plan is the construction of a new Police Station or extensive improvements to the existing facility. If a new station is constructed on a site not currently owned by the City, the FY06 capital allocation of \$5 000 000 will fund the acquisition of land for this purpose. If extensive improvements are made to the facility, this allocation will be used for the design services phase of the project. An allocation of \$40 000 000 has been recommended for FY07 for the construction phase of the project.

The City was received a Homeland Defense Grant for \$721 725 for the purchase new specialized equipment for fire and police personnel to enhance their capability to prevent and respond to incidents of terrorism. Equipment provided through the grant includes: an explosive bomb containment vessel and bomb robot for the Police Department, communications equipment, hazardous material equipment, extrication equipment and cardiac defibrillators for the Fire Department. This grant also provides an additional \$138 000 to allow public safety personnel to train with this new equipment.

The Fire Department leadership has been actively involved with statewide committees and regional collaborations to improve interagency cooperation and interoperability. It should also be noted that for several years the Insurance Service Organization (ISO) has given a Class I designation to the Cambridge Fire Department, the highest rating a Fire Department can receive. ISO is the primary source of information about property and liability risk and is the property/casualty insurance industry's leading supplier of statistical, actuarial, underwriting and claims data. This rating is based on criteria related to training, equipment, facilities and communication systems.

The FY05 Electrical Department Budget includes a plan to implement the purchase of utility-owned streetlights from NSTAR, a process expected to be completed within the first half of FY05. This will allow the City to repair and maintain City-owned streetlights more quickly. The first year net savings are projected to be \$159 870 due to the reduction in maintenance costs paid to NSTAR. An additional appropriation from free cash will be made for the actual purchase of streetlights that is not included in this Budget.

The FY05 Police Review and Advisory Board Budget reflects the management structure instituted in early FY04 which has the Executive Director of Human Rights providing day-to-day leadership of this Department. In addition, the vacant position of Executive Director of the Police Review and Advisory Board has been converted to a full-time investigator position. It is believed that this model will strengthen the service delivery of the Department by adding a full-time investigator while having the Executive Director of Human Rights continue to provide day-to-day leadership. This conversion has generated a small budget savings (\$9 950) while providing a better service and leadership model.

- **FOSTER IMPROVEMENT OF AIR QUALITY, IN PARTICULAR THROUGH CREATIVE APPROACHES TO TRAFFIC, PARKING AND TRANSPORTATION NEEDS OF RESIDENTS AND BUSINESSES**

In an effort to support the improvement of air quality in our City, the FY05 Budget includes additional funding in the Public Works Budget to increase the number of existing diesel vehicles and pieces of equipment using biodiesel fuel to 82. Biodiesel is a clean burning alternative fuel, produced from domestic, renewable resources.

As highlighted on the front Budget cover, the City recently opened a newly renovated City Hall Annex, which is the City's first municipal "green building." Future building renovation projects will also incorporate environmentally friendly features and energy efficiency measures. This will reduce energy consumption and thereby help air quality due to lower emissions from power plants.

The Traffic, Parking & Transportation Department, which is responsible for ensuring that the City's street system is safe for vehicular and non-vehicular use through parking regulations, meters, traffic signals and signs, crosswalks, bicycle facilities and pavement markings, has a proposed FY05 Budget of \$8.2 million. The FY05 proposed Capital Budget includes \$400 000 for miscellaneous traffic calming improvements. Traffic calming focuses on redesigning streets to improve the safety of people walking, biking and driving on them. Mechanisms may include raised crosswalks and intersections, curb extensions, crossing islands and other physical features which calm traffic and enhance pedestrian safety. In addition, \$500 000 has been allocated for parking improvements that include the

installation of new traffic signals and parking meters and upgrade of traffic signals from incandescent lamps to light emitting diodes (LED).

In addition, the Environmental and Transportation Division of the Community Development Department is supported with a budget of \$850 195. This is responsible for improving the City's quality of life and working environment by managing the design or improvement of transportation systems to facilitate all modes of transportation.

Funding for the FY05 Street and Sidewalk Reconstruction Program (\$1.6 million) is funded through the Capital Budget. The streets and sidewalks proposed for reconstruction include streets with considerable traffic volumes and streets that have experienced significant construction activity over the past number of years, as well as some neighborhood streets that are in significant disrepair.

This Budget supports the funding of the Harvard Square Enhancement Project (\$3 500 000), Porter Square Pedestrian Enhancements (\$2 300 000) and the Laffayette Square Reconstruction Project (\$260 000). The Harvard Square Enhancement Project will fund high priority street and sidewalk reconstruction, new crosswalks and traffic islands, and lighting improvements in and around Harvard Square. The Porter Square project includes improved operations and safety for pedestrians, cyclists, motorists and transit users with enhanced signal operations, revised intersection and turning movements, several additional crosswalks, bicycle facilities and other improvements such as trees, benches, lighting and a public plaza. An allocation of \$260 000 for the Lafayette Square/Massachusetts Avenue Reconstruction Project will complete funding for the project. This project is a full-depth reconstruction of the roadways and sidewalks between Lafayette Square and Memorial Drive that will improve conditions for all modes of transportation and provide a more pleasant streetscape.

- **MAXIMIZE THE BENEFITS OF NEW AND EXISTING ECONOMIC DEVELOPMENT AND UNIVERSITY ACTIVITIES TO IMPROVE THE LIFE OF THE CITY**

Cambridge has been able to employ its economic development strategies to build reserves and excess levy capacity which has allowed us to survive the economic uncertainties both nationally and at the State level over the last two years. As we continue to operate within the confines of Proposition 2½, it is important to understand that new development is the key to our continued successes and allows us to maintain a reasonable property tax for residents and businesses while providing high quality services with an aggressive public investment program.

The Economic and Employment Planning Division of the Community Development Department has a recommended FY05 Budget of \$386 700. This division focuses on supporting entrepreneurship by providing a broad range of services to assist small businesses, monitoring changes in the job base to maintain a diversified employment base, helping growing companies get access to capital through loans and referrals, monitoring changes in the real estate market, maintaining thriving commercial districts and promoting a healthy business climate. The City continues to sponsor the Retail Best Practices Program (\$10 000) which provides technical assistance to income eligible businesses regarding marketing techniques and interior organization of their retail space. In addition, funding is provided

for Cambridge Business Development Center (\$50 000), which holds workshops on getting started in business, small business planning and business basics for family childcare providers. The Employment Program Fund (\$350 000) continues to finance the Just-A-Start Rehabilitation Assistance Program, which trains and employs Cambridge youths and provides a range of low-cost housing rehabilitation, energy conservation, and de-leading services throughout Cambridge in conjunction with the Cambridge Housing Authority.

The proposed FY05 Budget continues to support development of public/private partnerships and training opportunities geared toward the new economy through the Office of Workforce Development (OWD) (\$1 471 160), included in the Human Services Budget. The OWD does this by developing partnerships with employers, community-based organizations, schools and post-secondary institutions. OWD services reach nearly 1 000 residents and businesses each year. OWD programs include the Cambridge Employment Program (CEP) which offers free job search assistance to adults seeking employment as well as making referrals to education and training programs. The Mayor's Summer Youth Employment Program (MSYEP) places hundreds of youth each summer in jobs throughout the City and offers workshops to increase participants' skills and career/college readiness. In addition, there is a school year component to the MSYEP.

OUTLOOK AND CONCLUSION

The long-term outlook for Cambridge is very positive as long as we continue to manage our resources wisely. This is evidenced by our continued AAA bond rating received from the three major rating agencies in a time when many communities have seen a reduction in their ratings. Cambridge is one of only twelve cities to receive this highest rating from the three rating agencies.

While Cambridge has not been immune to the current economic downturn, our enviably strong financial condition has left us better prepared to deal with slowed local revenue growth and recent cuts in State Aid. This is demonstrated by the fact that the submitted FY05 Budget maintains both City and School services in a time where many communities will continue to reduce services further. The City's strong economic development program has bolstered the local tax base, making the City financially strong and far less dependent on State Aid than most Massachusetts cities. The sound financial practices of this and previous City Councils have left the City with substantial reserves and approximately \$39 million in excess levy capacity that allows Cambridge the flexibility to respond to periods of economic declines. However, our financial strength and independence does not allow us to ignore the fact that the Commonwealth is a vital financial partner in the delivery of our services. We will continue our strategy to look at the overall finances of the City in the long-term in order to maintain stability and predictability in our budgeting and financial planning processes.

In the short-term, the FY06 Budget will provide many challenges for the City. These include a possible loss of \$1.5 million in School Aid funding to the City due to the new charter school which is scheduled to open in September 2005; a possible funding gap of \$2.6 in the School Operating Budget exclusive of the possible School Aid reduction noted above; unfunded school building capital needs; the continued possibility of local aid cuts from the State; a possible reduction in our Community Development Block Grant; increased employee benefit

costs; and a 5% cost of salary increases for employees which includes a .75% salary cost carry-over from FY05. We've faced such challenges before and dealt with them successfully, but we must be cognizant of them and plan accordingly.

We must also be conscious of the fact that our ambitious Capital Improvement Plan calls for the issuance of a significant amount of tax supported debt over the next five years. This is why my recommendation of the \$1 000 000 appropriation to the Stabilization Fund is so important. A portion of the total balance of \$8.9 million will be used annually for the next three years, beginning in FY06, to help offset debt service payments for major tax supported projects scheduled for the next three to five years. Overall, the additional bonding amounts, although high, do not pose a problem unless we become complacent and fail to control the growth of our Operating Budget.

As we continue to work through these challenging financial times, we must remember that failure to make difficult decisions today will lead to even more difficult decisions in the future. This includes being mindful that increases in the property tax levy must be modest so as not to overburden our residential and commercial taxpayers. This continues to be the key to our economic growth and stability.

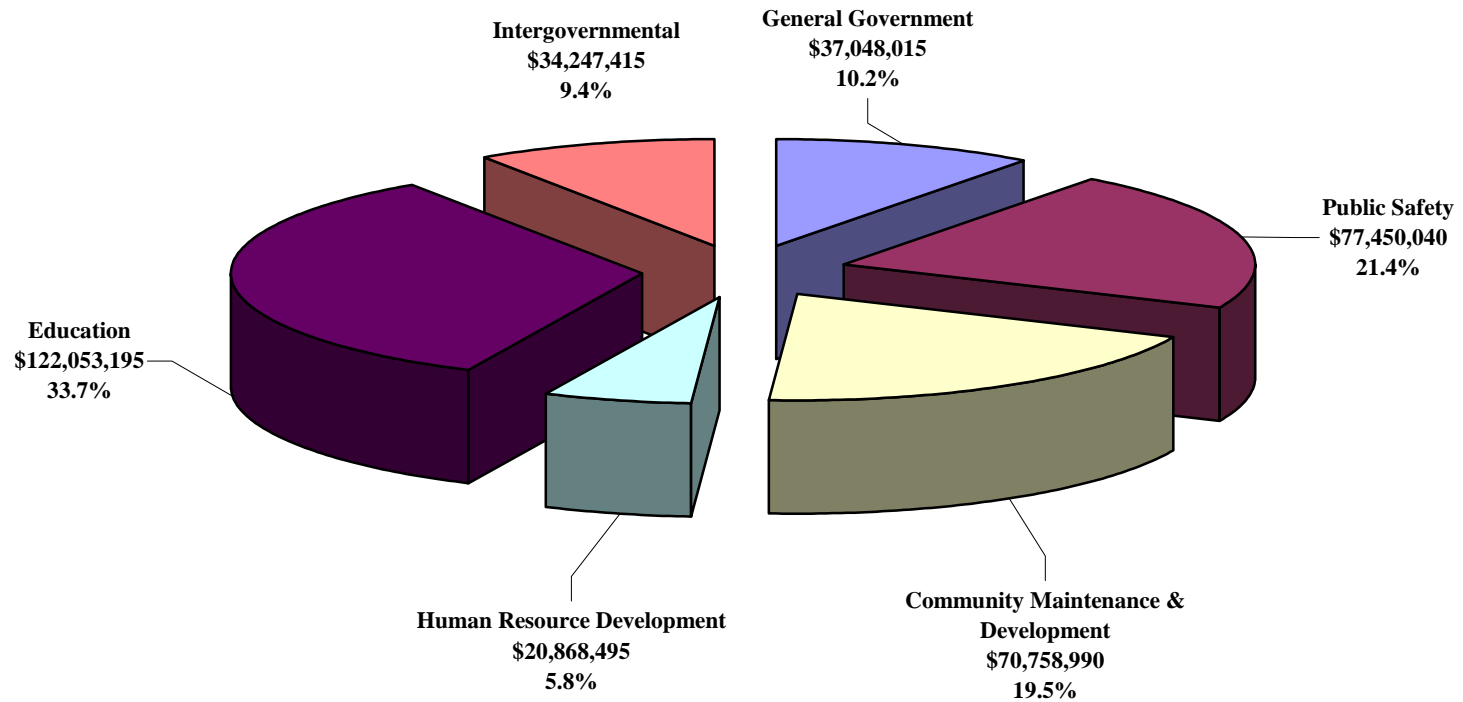
By being cognizant of our financial limitations and working together, I am confident that we can continue to provide the wide array of services that our residents have come to expect, while at the same time meeting the needs of our infrastructure.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert W. Healy", written in a cursive style.

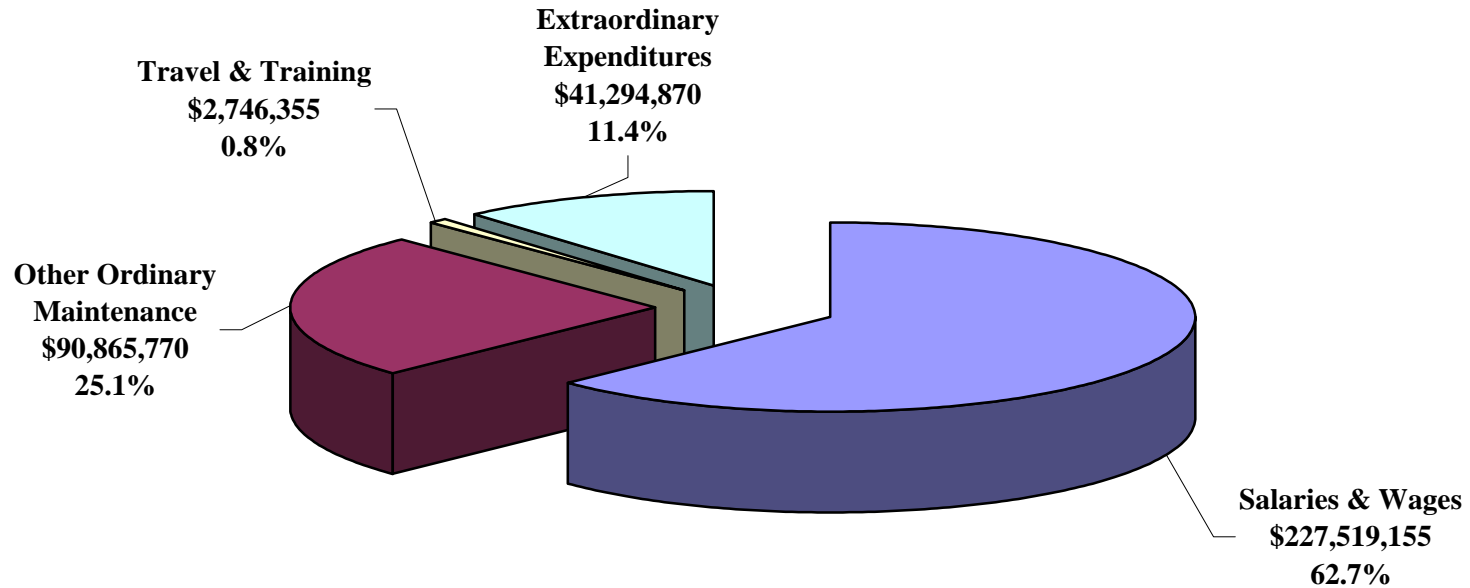
Robert W. Healy
City Manager

APPROPRIATION BY FUNCTION



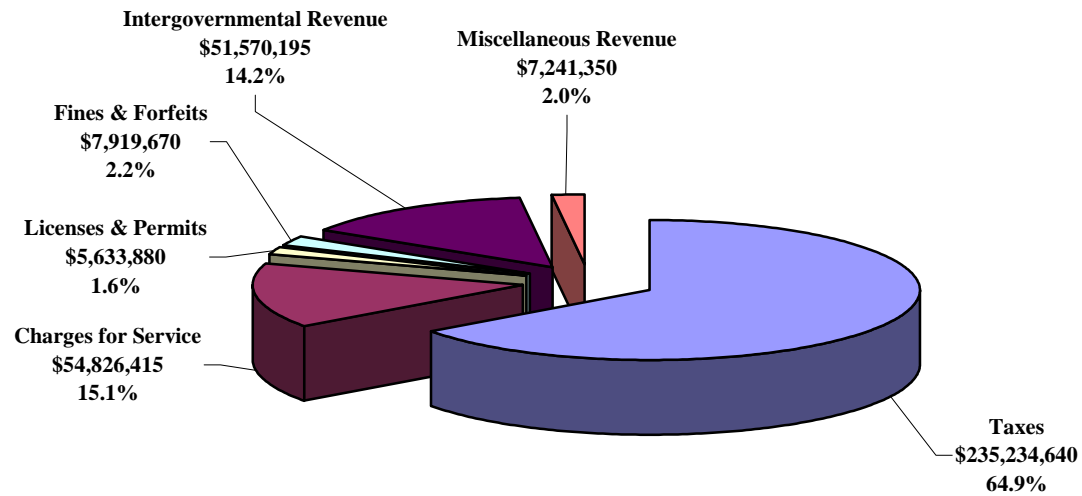
TOTAL BUDGET \$362,426,150

APPROPRIATION BY STATUTORY CATEGORY



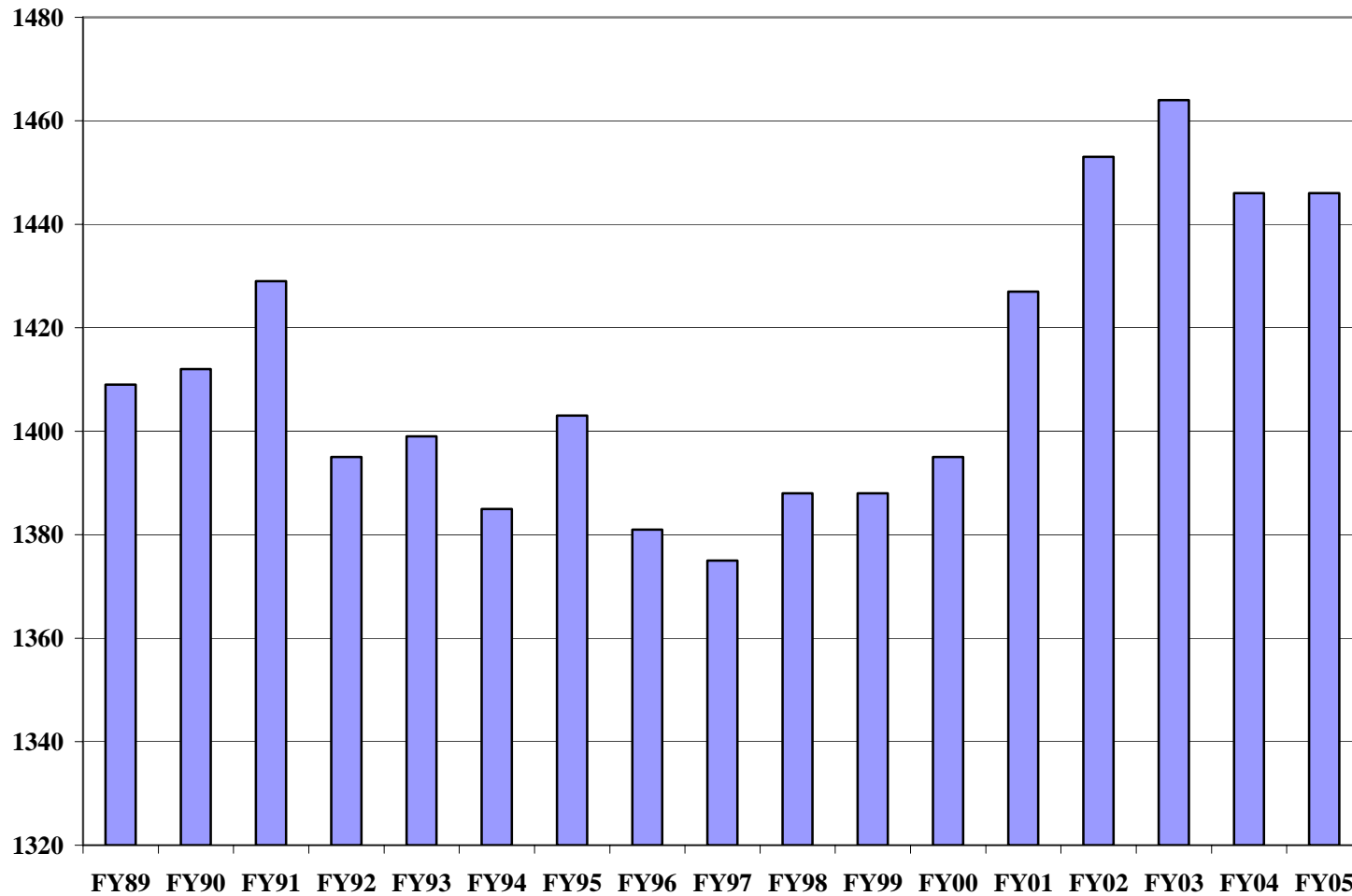
TOTAL BUDGET \$362,426,150

REVENUE BY SOURCE



TOTAL BUDGET \$362,426,150

POSITION LIST COMPARISON **Excluding Schools**



FY89	1409
FY90	1412
FY91	1429
FY92	1395
FY93	1399
FY94	1385
FY95	1403
FY96	1381
FY97	1375
FY98	1388
FY99	1388
FY00	1395
FY01	1427
FY02	1453
FY03	1464
FY04	1446
FY05	1446

Only Full Time Positions Are Included in This Chart

SUMMARY: OPERATING BUDGET (all funds)

FY03 ACTUAL	FY04 PROJECTED	PROGRAM EXPENDITURES	FY05 BUDGET
27 136 680	32 304 425	General Government	37 048 015
73 029 390	74 028 720	Public Safety	77 450 040
63 252 435	66 228 270	Community Maintenance & Development	70 758 990
19 490 915	19 812 315	Human Resource Development	20 868 495
117 137 195	117 872 457	Education	122 053 195
<u>29 698 525</u>	<u>34 026 175</u>	Intergovernmental	<u>34 247 415</u>
329 745 140	344 272 362		362 426 150

FINANCING PLAN	FY05 BUDGET
Taxes	235 234 640
Licenses & Permits	5 633 880
Fines & Forfeits	7 919 670
Charges for Service	54 826 415
Intergovernmental Revenue	51 570 195
Miscellaneous Revenue	<u>7 241 350</u>
	362 426 150

SUMMARY: GENERAL GOVERNMENT

FY03 ACTUAL	FY04 PROJECTED	PROGRAM EXPENDITURES	FY05 BUDGET
432 100	430 970	Mayor	430 035
1 291 460	1 282 700	Executive	1 353 140
924 050	909 910	City Council	975 570
681 285	657 190	City Clerk	720 925
2 299 060	1 719 325	Law	1 780 975
8 082 720	8 336 000	Finance	8 837 560
11 059 210	16 464 660	Employee Benefits	20 499 920
974 495	971 685	General Services	984 345
721 775	764 250	Election	756 540
670 525	767 735	Public Celebrations	671 505
		Reserve	<u>37 500</u>
<u>27 136 680</u>	<u>32 304 425</u>		37 048 015

FINANCING PLAN	FY05 BUDGET
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Taxes	23 888 555
Licenses & Permits	32 500
Fines & Forfeits	316 500
Charges for Service	565 880
Intergovernmental Revenue	7 434 580
Miscellaneous Revenue	<u>4 810 000</u>
	37 048 015

SUMMARY: PUBLIC SAFETY

FY03 ACTUAL	FY04 PROJECTED	PROGRAM EXPENDITURES	FY05 BUDGET
208 870	216 630	Animal Commission	228 870
27 901 005	27 739 625	Fire	28 891 840
29 010 770	29 718 835	Police	31 515 220
7 477 845	7 899 275	Traffic, Parking & Transportation	8 175 095
77 030	23 925	Police Review & Advisory Board	77 210
2 015 650	2 201 800	Inspectional Services	2 261 215
666 150	672 845	License	726 735
94 720	94 415	Weights & Measures	98 910
2 423 565	2 281 875	Electrical	2 239 640
146 910	135 180	Emergency Management	137 820
<u>3 006 875</u>	<u>3 044 315</u>	Emergency Communications	<u>3 097 485</u>
73 029 390	74 028 720		77 450 040

FINANCING PLAN	FY05 BUDGET
Taxes	54 281 065
Licenses & Permits	5 439 380
Fines & Forfeits	7 275 980
Charges for Service	6 196 815
Intergovernmental Revenue	2 592 855
Miscellaneous Revenue	<u>1 663 945</u>
	77 450 040

SUMMARY: COMMUNITY MAINTENANCE & DEVELOPMENT

FY03 ACTUAL	FY04 PROJECTED	PROGRAM EXPENDITURES	FY05 BUDGET
22 158 555	22 571 180	Public Works	23 648 125
16 469 605	16 603 600	Water	17 098 120
4 165 485	4 028 840	Community Development	4 472 620
387 270	441 670	Historical	457 580
56 590	74 100	Conservation	89 760
72 495	73 465	Peace Commission	76 215
871 530	972 600	Cable T.V.	999 500
<u>19 070 905</u>	<u>21 462 815</u>	Debt Service	<u>23 917 070</u>
63 252 435	66 228 270		70 758 990

FINANCING PLAN	FY05 BUDGET
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Taxes	31 956 270
Licenses & Permits	162 000
Fines & Forfeits	167 190
Charges for Service	29 027 335
Intergovernmental Revenue	8 978 790
Miscellaneous Revenue	<u>467 405</u>
	70 758 990

SUMMARY: HUMAN RESOURCE DEVELOPMENT

FY03 ACTUAL	FY04 PROJECTED	PROGRAM EXPENDITURES	FY05 BUDGET
5 106 705	5 068 830	Library	5 461 430
13 616 830	13 926 105	Human Services	14 581 590
148 040	149 085	Women's Commission	155 860
142 625	156 555	Human Rights Commission	158 730
<u>476 715</u>	<u>511 740</u>	Veterans	<u>510 885</u>
19 490 915	19 812 315		20 868 495

FINANCING PLAN	FY05 BUDGET
Taxes	16 890 560
Fines & Forfeits	60 000
Charges for Service	2 390 250
Intergovernmental Revenue	<u>1 527 685</u>
	20 868 495

SUMMARY: EDUCATION

FY03 ACTUAL	FY04 PROJECTED	PROGRAM EXPENDITURES	FY05 BUDGET
117 137 195	117 872 457	Public School	122 053 195

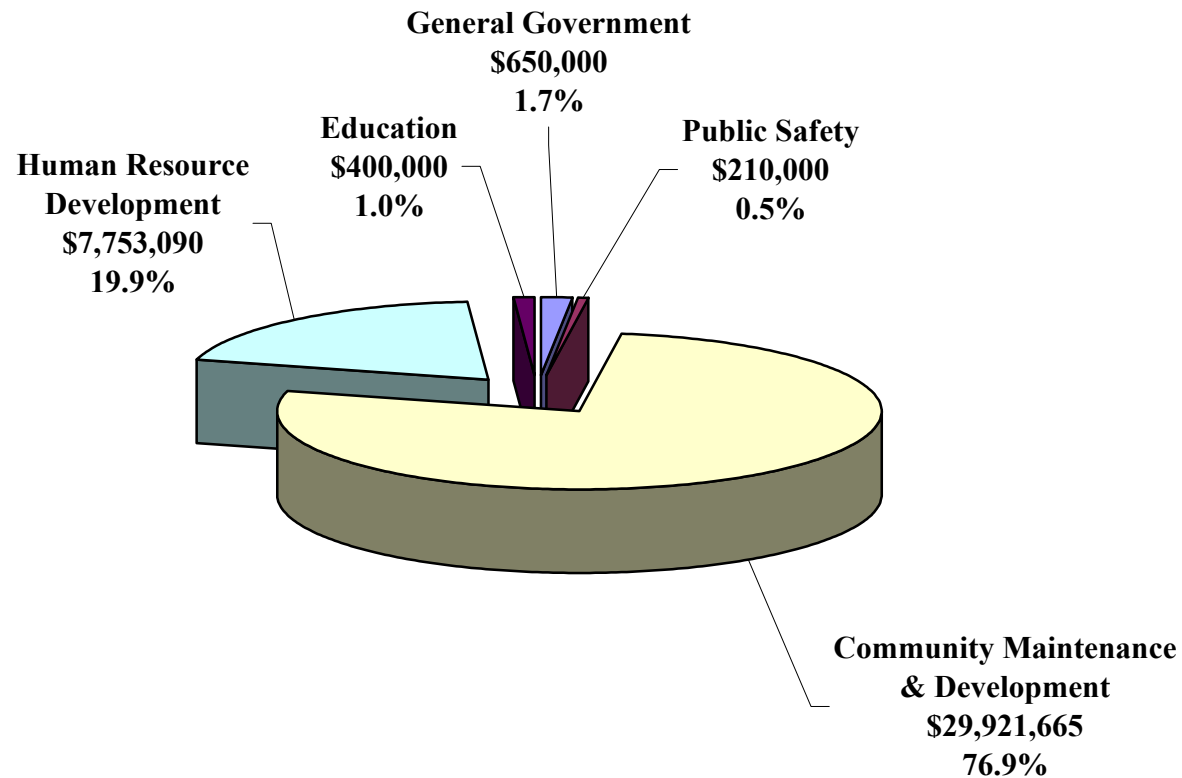
FINANCING PLAN	FY05 BUDGET
Taxes	93 391 275
Fines & Forfeits	100 000
Intergovernmental Revenue	28 261 920
Miscellaneous Revenue	<u>300 000</u>
	122 053 195

SUMMARY: INTERGOVERNMENTAL

FY03 ACTUAL	FY04 PROJECTED	PROGRAM EXPENDITURES	FY05 BUDGET
15 423 215	15 898 185	M.W.R.A.	16 177 455
7 678 310	11 627 990	Cherry Sheet Assessments	11 569 960
<u>6 597 000</u>	<u>6 500 000</u>	Cambridge Health Alliance	<u>6 500 000</u>
29 698 525	34 026 175		34 247 415

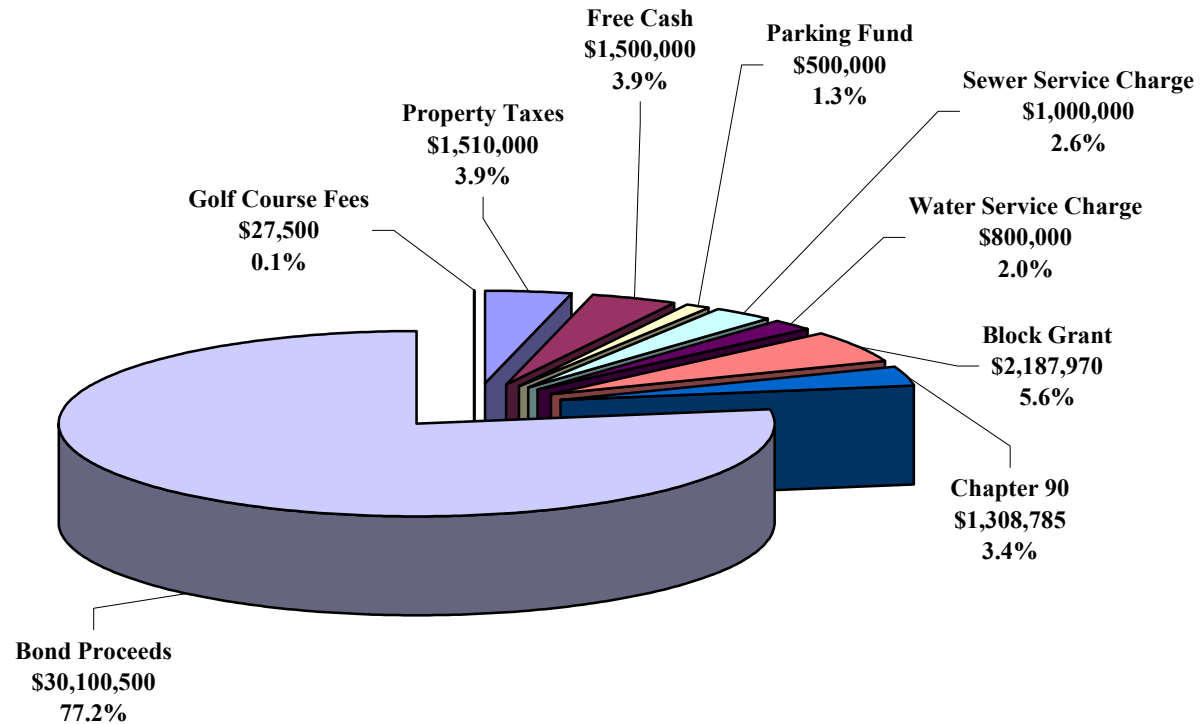
FINANCING PLAN	FY05 BUDGET
Taxes	14 826 915
Charges for Service	16 646 135
Intergovernmental	<u>2 774 365</u>
	34 247 415

PUBLIC INVESTMENT APPROPRIATIONS FISCAL YEAR 2005



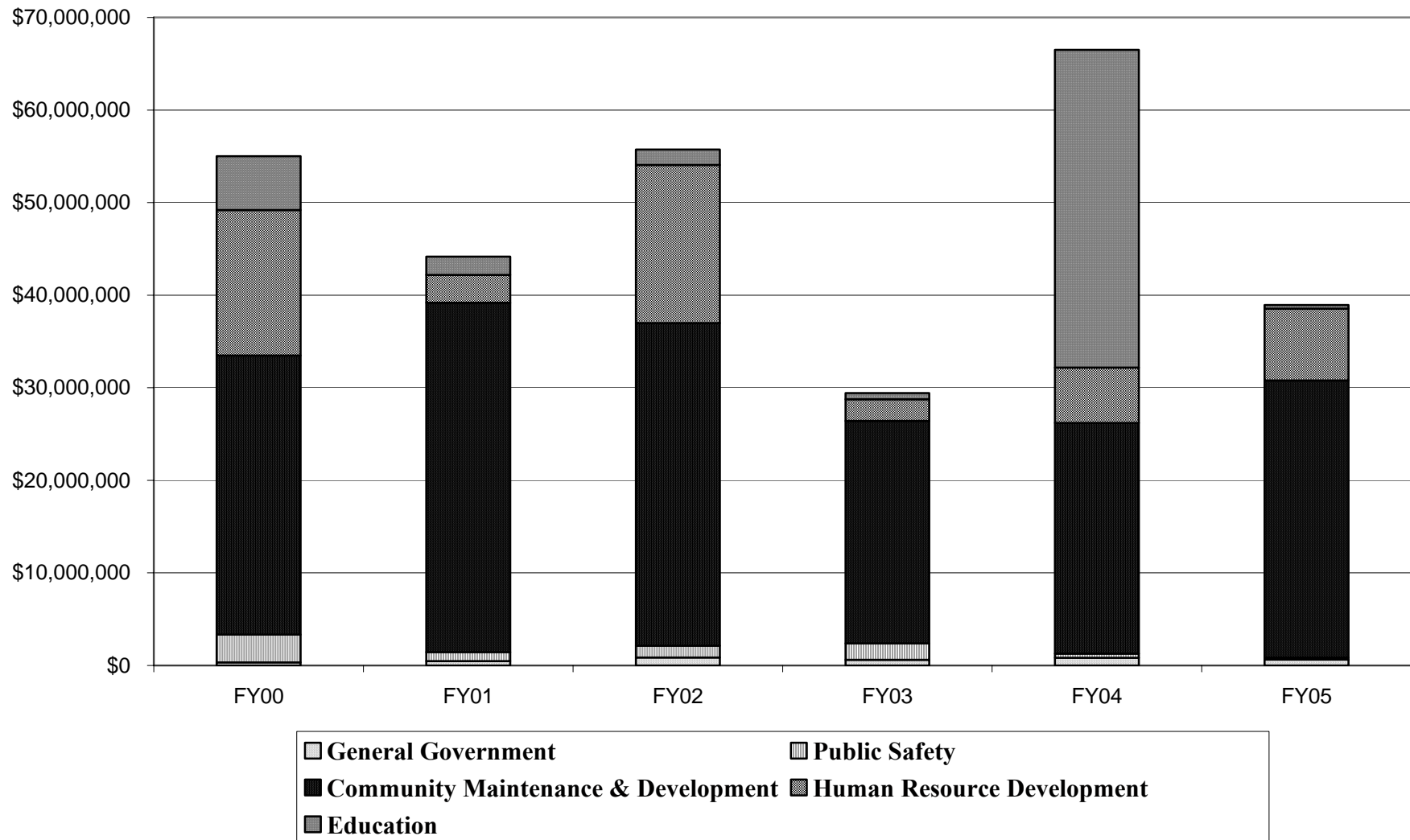
GRAND TOTAL \$38,934,755

PUBLIC INVESTMENT FINANCING PLAN FISCAL YEAR 2005



GRAND TOTAL \$38,934,755

PUBLIC INVESTMENT APPROPRIATIONS FISCAL YEARS 2000-2005



INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2004

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the General Fund of the City of Cambridge.

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATION	STATE ASSESS- MENT	GRAND TOTAL
GENERAL GOVERNMENT								
	Mayor	298 095	111 440	20 500		430 035		430 035
	Executive	933 225	385 450	34 465		1 353 140		1 353 140
	City Council	888 170	41 900	45 500		975 570		975 570
	City Clerk	660 395	59 780	750		720 925		720 925
	Law	1 012 075	509 225	259 675		1 780 975		1 780 975
	Finance	6 358 920	2 245 860	154 980	77 800	8 837 560		8 837 560
	Employee Benefits	19 813 290	686 630			20 499 920		20 499 920
	General Services	391 790	592 555			984 345		984 345
	Election	515 300	238 970	2 270		756 540		756 540
	Public Celebrations	390 580	279 800	1 125		671 505		671 505
	Reserve		37 500			37 500		37 500
	TOTAL	31 261 840	5 189 110	519 265	77 800	37 048 015		37 048 015
PUBLIC SAFETY								
	Animal Commission	216 155	12 565	150		228 870		228 870
	Fire	27 732 600	732 490	331 750	95 000	28 891 840		28 891 840
	Police	30 222 665	803 955	176 500	312 100	31 515 220		31 515 220
	Traffic, Parking & Transportation	4 973 055	3 107 640	19 400	75 000	8 175 095		8 175 095
	Police Review & Advisory Board	70 690	3 520	3 000		77 210		77 210
	Inspectional Services	2 102 290	107 100	51 825		2 261 215		2 261 215
	License	656 845	61 090	8 800		726 735		726 735
	Weights & Measures	89 385	7 780	1 745		98 910		98 910
	Electrical	1 092 930	1 145 040	1 670		2 239 640		2 239 640
	Emergency Management	124 085	13 635	100		137 820		137 820
	Emergency Communications	2 911 625	166 010	15 850	4 000	3 097 485		3 097 485
	TOTAL	70 192 325	6 160 825	610 790	486 100	77 450 040		77 450 040

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATION	STATE ASSESS- MENT	GRAND TOTAL
COMMUNITY MAINTENANCE AND DEVELOPMENT								
	Public Works	14 666 065	8 396 435	100 625	485 000	23 648 125		23 648 125
	Community Development	3 763 560	612 640	27 600	68 820	4 472 620		4 472 620
	Historical Commission	422 000	34 780	800		457 580		457 580
	Conservation Commission	85 010	3 865	885		89 760		89 760
	Peace Commission	63 585	11 280	1 350		76 215		76 215
	Cable T.V.	437 675	558 375	3 450		999 500		999 500
	Debt Service		216 000		23 701 070	23 917 070		23 917 070
	TOTAL	19 437 895	9 833 375	134 710	24 254 890	53 660 870		53 660 870
HUMAN RESOURCE DEVELOPMENT								
	Library	4 475 735	949 045	36 650		5 461 430		5 461 430
	Human Services	11 932 800	2 558 340	65 450	25 000	14 581 590		14 581 590
	Women's Commission	145 000	9 860	1 000		155 860		155 860
	Human Rights Commission	153 975	4 055	700		158 730		158 730
	Veterans	231 185	48 900	230 800		510 885		510 885
	TOTAL	16 938 695	3 570 200	334 600	25 000	20 868 495		20 868 495
	CITY TOTAL	137 830 755	24 753 510	1 599 365	24 843 790	189 027 420		189 027 420
EDUCATION								
	Schools Operating	84 756 675	28 914 540	1 123 135	7 258 845	122 053 195		122 053 195
	TOTAL	84 756 675	28 914 540	1 123 135	7 258 845	122 053 195		122 053 195
INTERGOVERNMENTAL								
	Massachusetts Water Resources Authority		16 177 455			16 177 455		16 177 455
	Cherry Sheet Assessments						11 569 960	11 569 960
	Cambridge Health Alliance		6 500 000			6 500 000		6 500 000
	TOTAL		22 677 455			22 677 455	11 569 960	34 247 415
	GRAND TOTALS	222 587 430	76 345 505	2 722 500	32 102 635	333 758 070	11 569 960	345 328 030

BE IT FURTHER ORDERED: That the city appropriations and state assessments in the General Fund are to be financed by estimated revenues drawn from the following sources:

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	CHARGES FOR SERVICE	INTER- GOVERN- MENTAL REVENUE	MISCELL- ANEOUS REVENUE	GRAND TOTAL
	Mayor	398 035				32 000		430 035
	Executive	974 275		215 000		163 865		1 353 140
	City Council	961 460				14 110		975 570
	City Clerk	561 695	15 000		124 930	19 300		720 925
	Law	1 630 975	2 500	97 500		50 000		1 780 975
	Finance	6 992 975			438 950	605 635	800 000	8 837 560
	Employee Benefits	10 167 855				6 322 065	4 010 000	20 499 920
	General Services	885 520		4 000		94 825		984 345
	Election	649 340			2 000	105 200		756 540
	Public Celebrations	628 925	15 000			27 580		671 505
	Reserve	37 500						37 500
	TOTAL GENERAL GOVT.	23 888 555	32 500	316 500	565 880	7 434 580	4 810 000	37 048 015
	Animal Commission	216 270	7 800	2 300	1 500		1 000	228 870
	Fire	28 340 340	30 000	10 000	511 500			28 891 840
	Police	23 044 610	94 500	2 565 690	2 033 355	2 275 065	1 502 000	31 515 220
	Traffic, Parking & Transportation		127 500	4 697 990	3 197 660		151 945	8 175 095
	Police Review & Advisory Board	77 210						77 210
	Inspectional Services	(1 256 785)	3 436 000		82 000			2 261 215
	License	(1 048 210)	1 720 645		27 300	27 000		726 735
	Weights & Measures	54 485			26 500	17 925		98 910
	Electrical	1 682 840	22 935		317 000	207 865	9 000	2 239 640
	Emergency Management	72 820				65 000		137 820
	Emergency Communications	3 097 485						3 097 485
	TOTAL PUBLIC SAFETY	54 281 065	5 439 380	7 275 980	6 196 815	2 592 855	1 663 945	77 450 040

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	CHARGES FOR SERVICE	INTER GOVERN- MENTAL REVENUE	MISCELL- ANEOUS REVENUE	GRAND TOTAL
	Public Works	17 824 100	107 000		3 241 240	2 281 130	194 655	23 648 125
	Community Development	2 886 540	55 000		281 895	1 029 185	220 000	4 472 620
	Historical Commission	445 135				4 945	7 500	457 580
	Conservation Commission	71 925			17 835			89 760
	Peace Commission	52 765				23 450		76 215
	Cable T.V.	(2 640)			1 001 540		600	999 500
	Debt Service	<u>10 678 445</u>	<u> </u>	<u>167 190</u>	<u>8 557 615</u>	<u>4 469 170</u>	<u>44 650</u>	<u>23 917 070</u>
	TOTAL COMMUNITY MAINTENANCE & DEV.	31 956 270	162 000	167 190	13 100 125	7 807 880	467 405	53 660 870
	Library	4 979 280		60 000		422 150		5 461 430
	Human Services	11 294 020			2 390 250	897 320		14 581 590
	Women's Commission	145 900				9 960		155 860
	Human Rights Commission	158 730						158 730
	Veterans	<u>312 630</u>	<u> </u>	<u> </u>	<u> </u>	<u>198 255</u>	<u> </u>	<u>510 885</u>
	TOTAL HUMAN RESOURCE DEVELOPMENT	16 890 560		60 000	2 390 250	1 527 685		20 868 495
	CITY TOTAL	127 016 450	5 633 880	7 819 670	22 253 070	19 363 000	6 941 350	189 027 420
EDUCATION								
	Schools Operating	<u>93 391 275</u>	<u> </u>	<u>100 000</u>	<u> </u>	<u>28 261 920</u>	<u>300 000</u>	<u>122 053 195</u>
	SCHOOL TOTAL	93 391 275		100 000		28 261 920	300 000	122 053 195
INTERGOVERNMENTAL								
	Massachusetts Water Resources Authority				16 177 455			16 177 455
	Cherry Sheet Assessments	8 326 915			468 680	2 774 365		11 569 960
	Cambridge Health Alliance	<u>6 500 000</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>6 500 000</u>
	TOTAL INTERGOVERN.	14 826 915			16 646 135	2 774 365		34 247 415
	GRAND TOTALS	235 234 640	5 633 880	7 919 670	38 899 205	50 399 285	7 241 350	345 328 030

**CITY COUNCIL
CITY OF CAMBRIDGE
SUBMITTED APRIL 26, 2004
ADOPTED MAY 24, 2004**

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2004

ORDERED: That the following sums, designated as appropriations, are hereby appropriated in the Water Fund of the City of Cambridge.

FUNCTION	DEPARTMENT	SALARIES & WAGES	OTHER ORDINARY MAINTENANCE	TRAVEL & TRAINING	EXTRA ORDINARY EXPENDITURES	CITY APPRO- PRIATION	STATE ASSESS- MENT	GRAND TOTAL
COMMUNITY MAINTENANCE & DEVELOPMENT	Water	4 931 725	2 950 305	23 855	9 192 235	17 098 120		17 098 120

BE IT FURTHER ORDERED: That the city appropriations in the Water Fund are to be financed by estimated revenues drawn from the following sources:

FUNCTION	DEPARTMENT	TAXES	LICENSES & PERMITS	FINES & FORFEITS	CHARGES FOR SERVICE	INTER- GOVERN- MENTAL REVENUE	MISCELL- ANEOUS REVENUE	GRAND TOTAL
COMMUNITY MAINTENANCE & DEVELOPMENT	Water				15 927 210	1 170 910		17 098 120

INTRODUCED BY CITY MANAGER ROBERT W. HEALY
AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2004

ORDERED: That the following sums are hereby appropriated in the Public Investment Fund of the City of Cambridge.

FUNCTION	PROJECT	APPROPRIATIONS	FUNCTION	PROJECT	APPROPRIATIONS
GENERAL GOVERNMENT			COMMUNITY MAINT. & DEV. (cont.)		
	Acquisition of Personal Computers	50 000		Lafayette Square/Mass. Ave. Reconstruction	260 000
	Technology Upgrades	<u>600 000</u>		Employment Program Fund	350 000
		650 000		Housing Rehab & Development	1 682 880
PUBLIC SAFETY				Neighborhood Business Development	60 000
	Fire Vehicles/Equipment	85 000		Public Art	40 000
	Fire Station Renovations	95 000		Public Art Conservation	<u>35 000</u>
	Police Equipment/Renovations	<u>30 000</u>			7 351 665
		210 000	HUMAN RESOURCE DEVELOPMENT		
COMMUNITY MAINTENANCE & DEV.				Parks & Recreation	172 590
	Public Building Renovations	485 000		Accessibility Improvements	<u>50 000</u>
	Streets/Sidewalks Reconstruction	1 638 785			222 590
	Park and Cemetery Tree Pruning	100 000	EDUCATION		
	Parking Improvements	500 000		School Equipment/Renovations	<u>400 000</u>
	Water System Improvements	800 000			400 000
	Sewer Reconstruction	1 000 000			
	Traffic Calming	400 000		TOTAL	8 834 255

BE IT FURTHER ORDERED: That the above appropriations are to be financed from the following sources:

FINANCING PLAN CLASSIFICATION	REVENUE	FINANCING PLAN CLASSIFICATIONS	REVENUE
Property Taxes	1 510 000	Block Grant	2 187 970
Free Cash	1 500 000	Chapter 90	1 308 785
Parking Fund	500 000	Golf Course Fees	<u>27 500</u>
Sewer Service Charge	1 000 000		8 834 255
Water Service Charge	800 000		

INTRODUCED BY CITY MANAGER ROBERT W. HEALY

AN ORDER CONCERNING APPROPRIATION FOR THE FISCAL YEAR BEGINNING JULY 1, 2004

ORDERED: That the following sum is hereby appropriated in the Stabilization Fund in the City of Cambridge.

FUNCTION

**COMMUNITY MAINTENANCE
& DEVELOPMENT**

Stabilization Fund	1 000 000
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BE IT FURTHER ORDERED: That the above appropriation is financed from the following sources:

**FINANCING PLAN
CALSSIFICATION**

Property Taxes	1 000 000
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